



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/737,011	12/14/2000	John Meyer	DEI 00.01	8236

7590 05/04/2004

Kevin M. Drucker
HAYES, SOLOWAY, HENNESSEY,
GROSSMAN & HAGE, P.C.
130 W. Cushing Street
Tucson, AZ 85701

EXAMINER

PATEL, JAGDISH

ART UNIT	PAPER NUMBER
----------	--------------

3624

DATE MAILED: 05/04/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/737,011

Applicant(s)

MEYER ET AL.

Examiner

JAGDISH PATEL

Art Unit

3624



-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 22 January 2004.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 41-92, 94, 96 and 99-142 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 41-92, 94, 96 and 99-142 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

Art Unit: 3624

DETAILED ACTION

1. This communication is in response to amendment filed 1/22/04.

Continued Examination Under 37 CFR 1.114

2. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on 1/22/04 has been entered.

Response to Amendment

3. Claims 41, 51, 61, 71, 99, 101, 111, 121, 131, 141 and 142 have been amended. Claims 41-92, 94, 96 and 99-142 are currently pending.

Response to Arguments

4. Applicant's arguments see "INTRODUCTORY COMMENTS", filed 1/22/04; with respect to cited reference of Applewhite for rejection of the pending claims have been fully considered. Accordingly, and further in consideration of the amendment of claims rejections of claims with respect to Applewhite have been withdrawn.

However, the pending claims have been rejected under new grounds of rejections.

Claim Rejections - 35 USC § 101

5. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

6. Claims 41-50, 61-70, 81, 82, 85-86, 89-90, 101-110, 121-130 (recitation of human being in claims)

The claims recite within its scope a human being (limitations a biller, a plurality of billers, a plurality of third parties, etc. are interpreted as human beings in context of the appropriate claims recitation). Note that in each of the aforementioned claims a function is performed by a human entity. As an example claim 41 recites a biller as an element of the system. In the context of the specification a biller is interpreted as an individual who generates an invoice as defined in the claim. Per Commissioner Quigg's notice published at 1077 OG 24 (April 21, 1987), "a claim directed to or including within its scope a human being will not be considered to be a patentable subject matter under 35 U.S. C. 101". Accordingly the aforementioned claims are rejected as being non-statutory subject matter 35 USC 101.

7. Claims reciting overlapping statutory classes of invention

Claims 87, 88, 91, 92 are not sufficiently precise due to the combining of two different statutory classes of invention in a single claim. The independent claim of these claims refers to a method of performing a financial transaction, but the body of the aforementioned claims discusses the specifics of the system (a payment network).

8. 35 U.S.C. §101 requires that in order to be patentable the invention must be a "new and useful process, machine, manufacture or composition of matter or new and useful improvement thereof" (emphasis added). Applicant's claims mentioned above are intended to embrace or overlap two different statutory classes of invention as set forth in 35 U.S.C. §101. The claim begins by discussing a method (ex. Preamble of claim independent method claims 83 and 84), the body of the claim discusses the specifics of the system (explain system limitations) and method (explain method limitations). (see rejection of claims under 35 U.S.C. §112, second

Art Unit: 3624

paragraph, for specific details regarding this issue). "a claim of this type is precluded by express language of 35 U.S.C. §101 which is drafted so as to set forth statutory the statutory classes of invention in the alternative only", Ex parte Lyell (17USPQ2d 1548).

9. Claims 81-92, 94 and 96 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter because the claims are not limited within technological arts.

As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include

Art Unit: 3624

"laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson*, 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. In *re Toma* at 857.

In *Toma*, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was

Art Unit: 3624

within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* never addressed this prong of the test. In *State Street Bank & Trust Co.*, the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See *State Street Bank & Trust Co.* at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See *State Street Bank & Trust Co.* at 1377. Both of these analysis goes towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, *State Street* abolished the Freeman-Walter-Abele test used in *Toma*. However, *State Street* never addressed the second part of the analysis, i.e., the "technological arts" test established in *Toma* because the invention in *State Street* (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the *Toma* test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a §101 rejection finding the claimed

Art Unit: 3624

invention to be non-statutory. See Ex parte Bowman, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

In the present application, Claims 81-92, 94 and 96 have no connection to the technological arts. None of the elements indicate any connection to a computer or technology. A payment system is broadly interpreted as individual or an institution who receives payment (in the form of cash or check) from a payor who wish transfer the funds to a payee. The individual informs a clerk who maintains the payee accounts receivable records who credits the accounts receivable. In other words, the "payment network" as recited functions without any technological implement such as a computer or a communication network. Therefore, the claims are directed towards non-statutory subject matter. To overcome this rejection the Examiner recommends that Applicant amend the claims to better clarify which of the steps are being performed within the technological arts, such as incorporating a computer network or having a computer perform the claimed functionality.

Claim Rejections - 35 USC § 112

10. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

11. Claims 51-80, 87, 88, 91, 92, 94-96, 99, 100, 111-120, 131-142 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Art Unit: 3624

12. Claims 87, 88, 91, 92 recite two different and overlapping classes of invention as discussed above, the claims are rendered indefinite.

13. Claim 51 recites in "permitting" step that a third party scans the bar code comprising data identifying at least said customer and said biller and based on the identify data of said bar code and a payment made by said customer to the third party transmits or initiates transmission of funds to the biller. However, the claim does not relate the result of scanning the bar code to the act of transmission of funds. The claim in the present form renders the scanning step unnecessary. The claim fails to ascertain how a third party such as an individual would interpret the bar code data without being provided in a discernable manner such as in the form an interface (display etc.). This deficiency renders claim 51 and dependent claims (52-60 and 94) indefinite. Note that this analysis also is applicable to all aforementioned claims 52-80, 94-96, 111-120, 131-140.

13. Claim 99 contains the following deficiencies, which render the claim (and dependent claims) indefinite.

Limitation "said customer" in line 5 lack antecedent basis.

Limitation "permitting said third party to scan said document.." does not relate to the subsequent limitations. The purpose of scanning is to collect information which is subsequently received.

For example, the receiving step requires that the scanning apparatus also receive payment amount from a third party. It is unclear from the recited claim from where the scanning apparatus receives this information in view of the recitation that document scanned does not include the payment amount. Furthermore, the claim recites that the third party is permitted to scan the

Art Unit: 3624

document. One or more steps reciting that the scanning apparatus itself receives all payment data claimed in the receiving step must be added to correct this defect.

Additionally, the claim also fails to indicate how the account of the third party is identified from its identity alone so that transmission of funds from the account of the third party is effected.

Dependent claim 100 also inherit this deficiency.

14. With regard to claims 141 and 142 limitation "said processed payment record" lacks sufficient antecedent basis in the claims because the remitting step only remits the payment record for processing to the payment network. The claims fails to positively recite a step that actually performs the processing of the payment records which also include the inserted data. It is suggested that the claims(s) be amended to clearly point out processing of the payment record such the processed payment record also include the inserted data element.

Conclusion

15. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Jagdish Patel whose telephone number is (703) 308-7837. The examiner can normally be reached Monday-Thursday from 8:00 AM to 6:00 PM.

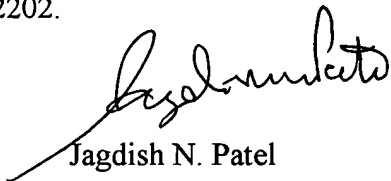
If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin, can be reached at (703) 308-1038. The fax number for Formal or Official faxes to Technology Center 3600 is (703) 305-7687. Draft faxes may be submitted directly to the examiner at (703) 746-5563.

Art Unit: 3624

Any inquiry of a general nature or relating to the status of this application should be directed to the Group receptionist whose telephone number is (703) 308-1113 or 308-1114.

Address for hand delivery is 2451 Crystal Drive, Crystal Park 5, 7th Floor, Alexandria VA

22202.

A handwritten signature in black ink, appearing to read 'Jagdish N. Patel', written over a horizontal line.

Jagdish N. Patel

(Primary Examiner, AU 3624)

05/02/04